

Chapter 1

Organizational Behavior: What It Is and Why It Matters

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Chapter Overview

This chapter introduces the field of organizational behavior (OB), emphasizing the idea that people are essential to the success of any organization. An understanding of OB is especially important in the contemporary workplace, in which skilled jobs require high levels of interaction among people. The chapter also introduces key trends in the workplace today: the gig economy and virtual workplace, Big Data as the basis for decision-making, the globalization of business, and workplace diversity. In keeping with organizations' emphasis on data, this chapter emphasizes the importance of evidence-based decision-making in organizational contexts while also acknowledging that OB effectiveness is often situation-dependent and that there are no universal truths, only stronger evidence and weaker evidence.

Learning Objectives

- 1.1: Define organizational behavior.
- 1.2: Explain how OB skills are linked to personal and career success.
- 1.3: Identify major trends that are profoundly changing OB today.
- 1.4: Distinguish between intuition and evidence in OB contexts.
- 1.5: Explain what it means to think contingently about OB issues.
- 1.6: Illustrate the knowing-doing gap in OB.

Discussion Starters

1. Based on your experiences in the workplace, have you felt that your managers saw their employees (people) as critical to the company's success?
2. How have your employers made their workers feel valued and respected? Alternatively, have you seen behaviors that reveal a lack of respect for human resources?
3. Do employees work harder and feel more devoted to their organization's success when they feel valued? How might workers manifest their dissatisfaction with their workplace when they have tyrannical managers?
4. Based on what you've read or seen in the media, do you believe that most of today's organizations value their employees? Or do they see workers as interchangeable, an increasingly unnecessary cost in the pursuit of profit?

Chapter Outline, Resources, and Suggested Connect Exercises

Chapter Outline	Media Resources	Suggested Connect Exercises
LO 1.1: Define organizational behavior. I. The Field of Organizational Behavior - Organization behavior: social science that attempts to describe, explain, and predict human behavior in organizational contexts - Organizations build competitive advantage with their people - Organizations of all sizes and types succeed only when their people succeed - Hybrid field: involves psychology, sociology, economics, political science, and strategic management		
LO 1.2: Explain how OB skills are linked to personal and career success. II. The Payoff of People Skills: OB and Career Success - Research evidence suggests that people skills are very important for career progression - Social skills are important in contemporary organizations - Positions that require both cognitive skills and social skills have shown more wage growth than those requiring math or analytical skills - Jobs least likely to be automated will demand interaction between people - Study of MBA alumni show alumni needing more development of interpersonal, decision-making, generative-thinking (creativity), and human capital management skills - Hardest activities to automate with currently available technologies are those that involve managing and developing people or that apply expertise to decision-making, planning, or creative work	Great managers still matter: the evolution of Google's Project Oxygen https://rework.withgoogle.com/blog/the-evolution-of-project-oxygen/ Sheryl Sandberg doesn't care about how much experience you have—there's a skill that means much more https://www.businessinsider.com/sheryl-sandberg-cares-about-a-specific-skill-more-than-experience-2017-12	
LO 1.3: Identify major trends that are profoundly changing OB today. III. Major Trends Affecting the Field of OB Today - We must be careful to think about jobs, organizations, and people the way they are today—not the way they	Wharton Stories: What Motivates Workers in the Gig Economy? https://www.wharton.upenn.edu/story/what-motivates-workers-in-the-gig-economy/	<i>Connect Exercise 1: Trends Affecting OB: Click and Drag</i>

once were. A. The Gig Economy and Virtual Workplace 1. More short-term and virtual work opportunities change traditional OB variables i. For individual: job satisfaction, engagement, loyalty, and teamwork ii. For organization: loyalty, innovation, collaboration, and organizational citizenship behaviors that bond people 2. Pros: Businesses can become more efficient, reducing fixed costs and improving their bottom lines 3. Cons: Contract employees are likely to have fewer benefits, less job security, less likely to innovate help firm growth B. Decision Making Utilizing Big Data 1. Big Data: Millions of data points represented by everyone participating in the economy 2. HR officers using predictive models to more accurately and rapidly identify, recruit, develop, and retain the right people 3. People analytics can inform organizational decisions C. Globalization of Business 1. Boundaries of business continue to expand globally and force organizations to grapple with ethnic, cultural, and generational issues 2. Understanding factors that affect job performance and engagement are made more complex when considered in global context D. More Diverse Workplaces 1. Diversity includes gender,	People Analytics https://rework.withgoogle.com/subjects/people-analytics/	
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race, ethnicity, age, sexual orientation, and a variety of physical and psychological characteristics 2. Generational differences - Baby boomers - Millennials - Generation Z		
LO 1.4: Distinguish between intuition and evidence in OB contexts. IV. Intuition Versus Evidence in OB - OB requires honing a critical understanding of what constitutes strong evidence for a given practice - Evidence-based management (EBM) 1. Learning about cause-and-effect connections 2. Isolating variations that affect desired outcomes 3. Reducing the overuse, underuse, and misuse of specific practices 4. Building decision supports to promote practices that evidence validates 5. Creating a culture of evidence-based decision-making and research participation A. Evaluating and Using Evidence 1. Big E evidence: generalizable knowledge regarding cause-and-effect connections derived from scientific methods i. Often summarized in large scientific literature reviews or meta-analyses ii. Best source for informing practices 2. Little evidence: local or organization-specific data collection efforts to inform a specific decision i. Information that helps organization but may not generalize across or	Welcome to the Center for Evidence-Based Management https://www.cebma.org/ Evidence-Based Management From California Management Review https://www.youtube.com/watch?v=14j3l74Og-I	<i>Connect Exercise 2: Stages of Decision-Making in OB: Click and Drag</i> <i>Connect Exercise 3: Big E Versus Little E Evidence: Click and Drag</i>

translate into other arenas or organizations B. Learning and Using Evidence-Based Frameworks 1. Frameworks help you diagnose situations and proceed more carefully 2. Framework for making more evidence-based OB decisions i. Define ii. Understand iii. Predict iv. Evaluate		
LO 1.5: Explain what it means to think contingently about OB issues. V. OB Effectiveness Is Often Situational—Learning to Be a Contingency Thinker - Usually no simple answers when studying human behavior in organizations, there are no universal truths, only stronger and weaker evidence - Individual's personal characteristics (skills, attitudes, and values) will interact with situational factors (reward systems, culture, and coworkers) to influence behavior - Important to diligently diagnose and use an evidence-based mind-set to actively seek contingent factors that impact various situations	TED Talk: Adam Grant, Are You a Giver or a Taker? https://www.ted.com/talks/adam_grant_are_you_a_giver_or_a_taker?language=en	
LO 1.6: Illustrate the knowing-doing gap in OB. VI. Knowing-Doing Gap in OB—Becoming a Positive Force - Easy to understand people skills but can be difficult to execute in the real world - Takes both knowledge (“know that”) and application practice (“know how”) to master a skill - People skills don't involve a standardized approach - People skills can be improved with practice	10 Simple Ways to Improve Your People Skills and Build Relationships https://www.forbes.com/sites/johnhall/2016/03/20/10-simple-ways-to-improve-your-people-skills-and-build-relationships/#1535d04ed518	

Connect Exercises

Connect Exercise 1: Trends Affecting OB: Click and Drag*

This activity tests students' general understanding of key trends in the study of organizational behavior. Students match trends to each of five key domains: globalization, the gig economy, diversity, the virtual workplace, and big data.

Learning Objective: 1.3: Identify major trends that are profoundly changing OB today.

Topic: Trends in organizational behavior

Difficulty Level: Understand

Blooms: 1 Easy

AACSB: Analytical Thinking

Follow-Up Activity: As this activity contains only one example for each domain, ask students to list at least three additional trends for each domain.

**Note: An alternate version of this Click and Drag Exercise is available in Connect for students with accessibility needs.*

Connect Exercise 2: Stages of Decision-Making in OB: Click and Drag*

This activity ensures that students understand the four stages of the decision-making process that underlie evidence-based management. Students place each of the four steps in the correct order.

Learning Objective: 1.4: Distinguish between intuition and evidence in OB contexts.

Topic: Stages of decision-making

Difficulty Level: 1 Easy

Blooms: Remember

AACSB: Reflective Thinking

Follow-Up Activity: Use this activity to emphasize the importance of the many different models that students will see in this book (e.g., Maslow's needs hierarchy, among many others). Discuss the pros and cons of models, explaining why they are so helpful in terms of understanding the "big picture" of important organizational processes such as hiring and motivating.

**Note: An alternate version of this Click and Drag Exercise is available in Connect for students with accessibility needs.*

Connect Exercise 3: Big E versus Little E Evidence: Click and Drag*

This activity asks students to distinguish between Big E evidence (which is generalizable knowledge regarding cause-and-effect connections derived from scientific methods) and little e evidence (which represents local or organization-specific data collections to inform a specific decision).

Learning Objective: 1.4: Distinguish between intuition and evidence in OB contexts.

Topic: Evidence (Big E, Little E)

Difficulty Level: 1 Easy

Blooms: Understand

AACSB: Reflective Thinking

Follow-Up Activity: Ask students to think about their own decision-making processes. When do they use little e evidence? When do they go in search of Big E evidence? For example, if they have a serious medical problem, they usually want a doctor who has access to and knowledge of Big E evidence about diagnosis, treatment, and prognosis.

**Note: An alternate version of this Click and Drag Exercise is available in Connect for students with accessibility needs.*

Text Features:

Suggested Responses, Additional Discussion Questions, and Activities

OB Skills Challenge

1.1: Thinking Beyond Your First Job (p. 5)

SUGGESTED RESPONSE: The HR rep is suggesting that you need more than technical accounting skills to advance in the company. Accounting is a very technical discipline without a lot of opportunity for creativity; companies are required to follow GAAP (generally accepted accounting principles). Candidates can distinguish themselves by their people skills—for example, as motivators and leaders—but these skills must coexist with the technical skills necessary to get the job done.

OB Buzz

1.1: Human Versus Machine? (p. 7)

Discussion Question: What types of jobs are least likely to be automated? How might the answer to this question affect students' chosen college majors? (The jobs that are least likely to be automated require workers to do their work in person. For example, a dental hygienist must be physically present next to patients in order to take X-rays and clean their teeth.)

1.2: Players With Soft Skills Key to Chicago Cubs Breakthrough Championship (p. 8)

Discussion Question: Theo Epstein evaluates his players' people skills. Which specific people skills are the most important in a team sport such as baseball? Are these skills similar to those needed by people who work in teams at large organizations such as Google or 3M?

1.3: Giving and Stretching: New Ways of Thinking About Personal Success (p. 18)

1-8

Discussion Questions:

- (1) Identify someone in your life who is a giver, matcher, or taker (no names, please). Explain how that person operates and how people react to or interact with him or her.
- (2) Gary lives in a town with a high income per capita. His house is located on a 2-acre plot. It has six bedrooms and 4,000 ft²—more than enough space for himself, his wife, and his three children. But Gary is not satisfied: He wants to purchase a 6,000ft.² house with eight bedrooms on 4 acres. To satisfy his ambitions, Gary is always looking for promotions at work, sometimes working 18 hr per day to ensure that he gets an enormous quarterly bonus. Is Gary a chaser or a stretcher? (Answer: He is a chaser.)
- (3) In what ways does seeking too many resources undermine our work and well-being?

OB Myths

1.1: Technical Skills Are More Important Than People Skills in Ensuring Career Progression (p. 13)

Discussion Question: Résumés typically list a candidate's places of employment and quantifiable achievements. How might you redesign a typical résumé to highlight not only your technical skills but also your soft skills?

1.2: OB Strategies That Work Well in One Situation Will Work Well in All Situations (p. 16)

Discussion Question: It's often said that "money is the best motivator." Describe a situation in which higher salaries do not motivate employees to work harder or better. One example is a company in which workloads are so heavy and stressful that employees value time off more than they value higher pay.

OB Playbook

1.1: A Framework for Making More Evidence-Based OB Decisions (p. 15)

Classroom Activity: Use the Define, Understand, Predict, and Evaluate model to propose solutions for one of the following problems.

- (1) The chronic lack of parking on campus
- (2) Students' unwillingness to take classes before 10 a.m.
- (3) Traffic congestion in your town or city

OB in Action Case: Suggested Answers

Where Science Meets OB—Google and People Analytics (p. 19)

1. Managers were surprised that having technical skills ranked last in the list of most important manager behaviors.

2. Answers will vary. Try to find some commonalities among students' stories of best and worst bosses. What did the bad bosses have in common? What did the good bosses have in common?

3. Answers will vary. If consensus emerges about students' perceptions of their weakest skills, ask: How can you go about improving those skills? Another interesting point of discussion is whether students are the best judges of their own skill sets. Would others (friends, family, instructors) agree with these self-assessments?

4. Answers will vary. Seminars and training sessions are common, but many employees complain that they are a waste of time. How can companies ensure that employees apply the "soft skills" that they've learned to their jobs and interactions?

Group Activities and Follow-Up Activities

1. This chapter discusses the great diversity among today's workforce. In groups of four or five students each, brainstorm a list of the specific "soft skills" needed to manage diverse workgroups. (For example, one skill might be the ability to use gender-neutral language in speaking and writing.)

2. Students are likely familiar with the "gig economy" and have probably sold their services on a gig basis. Lead a discussion on the skills that independent contractors must develop in order to make contacts and continue to get gigs. How can gig workers ensure that they become "favorites" of their clients, thus ensuring a more predictable income flow?

3. To emphasize the importance of distinguishing intuition from evidence, ask students whether each of the following statements is true or false. Then explain the research listed below.

(1) "Smiling is the secret to happiness." This statement is FALSE. Conventional wisdom says that smiling will make you feel better when you're unhappy, but scientific evidence shows that using a fake smile to cover up your negative emotions will actually make you feel worse.

(2) "Venting your anger will make you feel better." This statement is FALSE. Rather than calming you down, venting positively reinforces your anger, causing you to become more angry for a longer period of time.

(3) "The average person uses only 10% of their brain capacity." This statement is FALSE. Modern research shows that throughout the day, we use 100% of our brains.